



FINANCE AND ADMINISTRATION CABINET  
KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

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**March 2009**

**Money Tips for College Students: How to Make It, Use It and Save It**

**Use credit cards wisely**

After you turn 18, you may be eligible for a credit card. You'll find this out pretty quickly since credit card companies have booths on campus the first couple of weeks of school. You may even receive a T-shirt or other novelty item as an incentive to sign up. But remember — it's important to compare credit card offers. Some charge an annual fee, while others require a deposit equal to the amount of credit you have available — not a bad idea, since you can't charge over this limit.

You can get in way over your head with bills you can't pay by charging too much on your credit card. College administrators say more students drop out because they need to work to pay their credit card bills than from failing grades.

You might feel like your plastic really isn't money. But if you don't pay more than the minimum balance, or worse, avoid paying the bill for a couple of months, your credit will be shot. If you find yourself unable to pay, that's a black eye on your credit report for up to seven years.

Paying more than the minimum payment is a must. If you charge \$1,500 on your credit card and make a minimum monthly payment of \$25, it will take you 11 years to pay off your charges if your interest rate is 16.8 percent. If your interest rate soars to 22.8 percent and you make just the monthly payment, you will be paying for an even longer time. According to the experts, if you can't pay the entire bill at one time, you should make at least twice the minimum payment due.

To learn how to plan and prepare for higher education, visit [www.GoHigherKY.org](http://www.GoHigherKY.org). For more information about student financial aid, visit [www.kheaa.com](http://www.kheaa.com); write KHEAA, P.O. Box 798, Frankfort, KY 40602-0798; or call (800) 928-8926, extension 7381. For information about low-cost student loans, visit [www.studentloanpeople.com](http://www.studentloanpeople.com); write The Student Loan People, P.O. Box 24328, Louisville, KY 40224-0328; or call (888) 678-4625.

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